USDA Foreign Agricultural Service
GAIN Report
Global Agriculture Information Network
Template Version 2.09

Required Report - FAS internal use only

Date: 8/1/2006

GAIN Report Number: RP6033

Philippines

Biotechnology

RP Country Specific Needs and Strategies

2006

Approved by:
Jude Akhidenor
U.S. Embassy

Prepared by:
Perfecto G. Corpuz

Report Highlights:
The strategic objective for the Philippines is to be the regional model for other countries to follow by making known the benefits of biotechnology products. To achieve this, interventions in the development of science-based biosafety implementing rules and regulations, as well as measures that facilitate the commercialization of the products are proposed. Parallel to these efforts is the need for continued support for advocacy and outreach programs that enhance the acceptance and adoption of biotechnology products.

Includes PSD Changes: No
Includes Trade Matrix: No
Unscheduled Report
Manila [RP1]
[RP]

The long-term country objective for the Philippines is to have in place reasonable and science-based biotechnology regulations allowing its development and use, and making it a model for other countries in the region to follow. In order for this to be realized, the benefits of agricultural biotechnology have to be realized through product acceptance and commercialization. To achieve this, Post is proposing interventions that address specific needs in three broad areas: the regulatory system, research and commercialization and market acceptance.

The Regulatory System

The existing Philippine biotechnology regulatory regime is guided by Executive Order No. 430 (EO 430) creating the National Committee on Biosafety of the Philippines (NCBP), the agency responsible for regulating biotechnology research, as well as by Administrative Order No. 8 of the Department of Agriculture (DA-AO 8), which provides the commercialization guidelines. Under DA-AO 8, twenty-three transformation events (TEs) of biotech crops have been approved for commercial release for food, feed or for processing. In addition, ten stacked trait products have been approved for commercial release.

The issuance in March 2006 of Executive Order No. 514 (EO 514) adopting the National Biosafety Framework (NBF) as an interim mechanism for implementing the Cartagena Protocol on Biosafety (CPB) may cause delays in approvals and complicate the existing regulatory system. Not yet ratified, the CPB's resolution is contained in Senate Resolution No. 471, which is currently under review. Many believe that ratification is imminent, possibly this year.

EO 514 requires the development of the corresponding Implementing Rules and Regulations (IRRs) to make it operational and the NCBP, the agency that will develop and oversee implementation of the NBF, will have to be reconstituted. An inter-agency body, the NCBP is permanently chaired by the Department of Science and Technology (DOST) Secretary who will create a technical working group (TWG) to craft the NBF-IRRs. We expect this process to be long and drawn-out due to the complexities of the issues involved, as well as the entrenched positions of local stakeholders. Dissenting positions on many issues are expected. Formation of the TWG will likely be completed in a month or two and the IRRs ready for NCBP presentation and possible approval late 2007.

Given the likelihood that members of the TWG will have different levels of experience and expertise on biosafety issues, capacity building programs to educate them about the need and process for developing science-based biosafety regulations are desirable. These capacity building programs on biosafety regulation development will be directed at the NCBP-TWG through the National Academy of Science and Technology (NAST), the highest scientific body of the Philippines. The specific objective of which is to enhance the TWG's capacity to develop the implementing rules that minimize, if not eliminate, the impact of non-science based considerations in biosafety decisions. The resulting regulations should be conducive, and not restrictive, to the commercialization of market-oriented biotech research. The nature and timing of the program will be designed after the TWG is formally organized, and its members, their backgrounds and orientations, known. Post will work with the NAST to avoid the possible criticism of NGO's opposed to biotechnology over the USG's 'meddling' in internal affairs.

Research and Commercialization

The commercializing of biotech crops is a long process composed of many stages including concept identification, research, product development, regulatory approval, freedom to operate and licensing, to product stewardship. For the research stage, Post is currently

pursuing the establishment of the Norman Borlaug fellowship program with the Department of Agriculture (DA) in support of its agricultural and fisheries modernization efforts. The program will focus on the short-term training of selected Philippine Borlaug fellows handling specific biotechnology research projects. The Borlaug fellow will be matched with a U.S. university known for its expertise on the research topic he/she is handling. The program will utilize local proceeds from previous P.L. 480 Title I Agreements.

In the Philippines, public research institutions conduct practically all local biotech research activities. Being research-oriented, these institutions are not so much concerned with the business or commercial aspect of biotechnology development. Hence, the transfer of technologies to industry is a major bottleneck mainly due to inadequate awareness and competence of intellectual property (IP) issues. Parallel to enhancing biotechnology research is a proposed capacity building program that seeks to improve and enhance the current IP knowledge and competence levels of local public institutions engaged in biotechnology research.

As mentioned in GAIN 6026, the Biotech Intellectual Property Rights Training Center (BIPRTC) at the Philippine Rice Research Institute (PhilRice) compound aims to serve the IPR-related training needs of R&D institutions, state colleges and universities and other researchers in the agriculture and fisheries sectors. Established last year, the center's creation was also supported by local proceeds from previous P.L. 480 Title I Agreements. While Post has been sending the appropriate PhilRice personnel to the IPR training program at Michigan State University (MSU) via the COCHRAN fellowship program, a specific program aimed at further strengthening the BIPRTC is proposed.

Among the ongoing biotechnology research projects, the papaya ringspot virus resistant (PRSV) project and the fruit and shoot borer resistant (FSBR) eggplant being developed at the Institute of Plant Breeding of the University of the Philippines at Los Banos (IPB-UPLB), are expected to be commercialized sometime in 2008. Before this, Post is proposing an initial needs-assessment study of the BIPRTC by a visiting IP training expert as a prelude to the design of the appropriate capacity-enhancing program that will follow. The desired result would be to make the BIPRTC the MSU of the Philippines in relation to local biotechnology IP training. It would also be ideal if an institutional linkage between the two research-based agencies were established.

Consumer Acceptance and Opposing NGOs

Syngenta's Corn Bt 11, Monsanto's Corn MON810, Corn NK 603, and its stacked trait Roundup Ready stacked-trait corn are currently being commercially distributed and propagated. 2006 is the 4th year a biotech crop has been grown commercially in the Philippines and available data on the growth rate of biotech corn planted areas through 2005 raise some adoption concerns (refer to GAIN 6026). According to a survey conducted by the Biotechnology Coalition of the Philippines (BCP) last year, the high price of biotech maize seeds, compared to traditional corn hybrid seed, discourage potential growers from using biotech corn seeds. Although a cost-benefit analysis shows incremental revenues for the biotech corn grower, the typical small backyard Filipino farmer often does not have the financial means to buy the transgenic seeds. This explains why it is also this farming category, the backyard sector, where the practice of using home-saved seeds from a previous crop is most popular. It is also because of this that it is the sector that tends to gain the most from biotech maize seed use. As a remedial measure, the BCP is recommending that seed producers consider making their product cheaper through innovative financing, marketing and credit schemes.

The persistent anti-biotech campaign of some NGOs also negatively affected the adoption rate of biotech maize. The fact that some provinces have imposed biotech products, despite the positive policy statement on biotechnology by the President, indicates that these groups had influenced the leadership of these provinces. With the decentralized set-up of the GRP (refer to Marketing Issues, GAIN 6026), the provincial or local government units are convenient targets of anti-biotech propaganda.

On the area of labeling, while the Bureau of Food and Drugs (BFAD) has yet to release labeling guidelines that apply to processed foods derived from the use of modern biotechnology, it has publicly announced it is for a voluntary negative labeling regime. Only a small percentage of Filipino consumers actually look at processed food labels.

Supported by USG funds, the BCP is the main advocacy group for modern agricultural biotechnology, and is a non-stock and non-profit organization formed in 2001. The BCP has been instrumental in the blocking of Congressional bills filed that hinder the development of biotechnology in the Philippines. A multi-sectoral coalition, the BCP's members come from local farm organizations, the academic and scientific community, the church, media and various industry associations. At present, Post is working out a proposal that supports the BCP's organization of the 3rd Third Asian Biotechnology Conference to be held in Manila in November of this year.

Post has been supportive of the BCP's biotechnology advocacy efforts although some distance is maintained, as the domination scenario of multinational seed companies is a popular NGO contention in their anti-biotech propaganda. As mentioned in GAIN 5027, this argument is expected to eventually lose momentum as local biotechnology research is eventually commercialized and the benefits felt. With continued funding support, BCP can maintain and expand its current advocacy and educational efforts, as well as its outreach campaign to enhance biotechnology adoption and consumer acceptance. To complement this, Post will also continue to work closely with State PAS to tap and utilize the Department Speaker Program to promote the benefits of biotechnology and science-based biosafety regulations.